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UT-054-92-01P
UT054

November 21, 1991

Ron Day
Rancho Equipment Services
P. O. Box 576, 279 East Main
Delta, UT 84624

RE: Reclamation Bond; Rancho Equipment's Mine Plan of Operations

Dear Mr. Day:

As Rody Cox discussed with you on November 18, the Bureau of Land Management has revised its policy for bonding of plans of operations under 43 CFR 3809. All 3809 operators with plans of operations are required to have a bond for those operations. These bonds must be calculated by a staff member of the Bureau of Land Management. The policy requires that bonds for all plans of operations be evaluated by January 1, 1992.

The Bureau can accept bonds posted with the State of Utah, Division of Oil, Gas and Mining, if the State bond is within 75% of the Bureau's estimate. If the State bond is less than 75%, a supplementary bond shall be required. Bonding by the Bureau cannot exceed \$2,000 per acre for mining operations, except for cyanide operations and for operators who have established a record of noncompliance.

Your assistance is requested in this evaluation. Please submit an estimate of reclamation costs for your mining operation. This information should be broken down into separate estimates for the reclamation of each distinct area of activity including roads, drill pads, open pits, waste dumps, mill sites and other surface disturbances. Individual estimates are requested for equipment, operating costs, labor and project overhead. This information is needed for each mine unit. The State of Utah, Division of Oil, Gas and Mining has also received a request to submit a copy of its bond determination for your operation/project.

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DIVISION OF
OIL GAS & MINING

Please feel free to call Rody Cox at (801) 743-6811 if you have any questions concerning this letter.

Sincerely,

SIGNED

Rex Rowley
Area Manager

cc: Michael Jackson, RDO
D. Wayne Hedberg, UDOGM